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# U.S. Bank Corporate Payment Systems

## Fraud Overview

*Jeff Leining*

*Fraud Management, U.S. Bank*





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# Today's Agenda

- **Defining Credit Card Fraud**
- **Industry Fraud Overview**
- **Fraud Trends in the Payment Industry**
- **The Cyber Underground**
- **Identity Theft**
- **Best Practices and Resources**



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# What is credit card fraud?



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# Defining Credit Card Fraud

**Fraud is: 3rd party unauthorized use of a card.**

**Obtaining services, credit or funds by misrepresentation of identity or information...**



**Fraud is not:**

**Misuse & Abuse, Disputed transactions,**

**Charge error, Inability to pay**





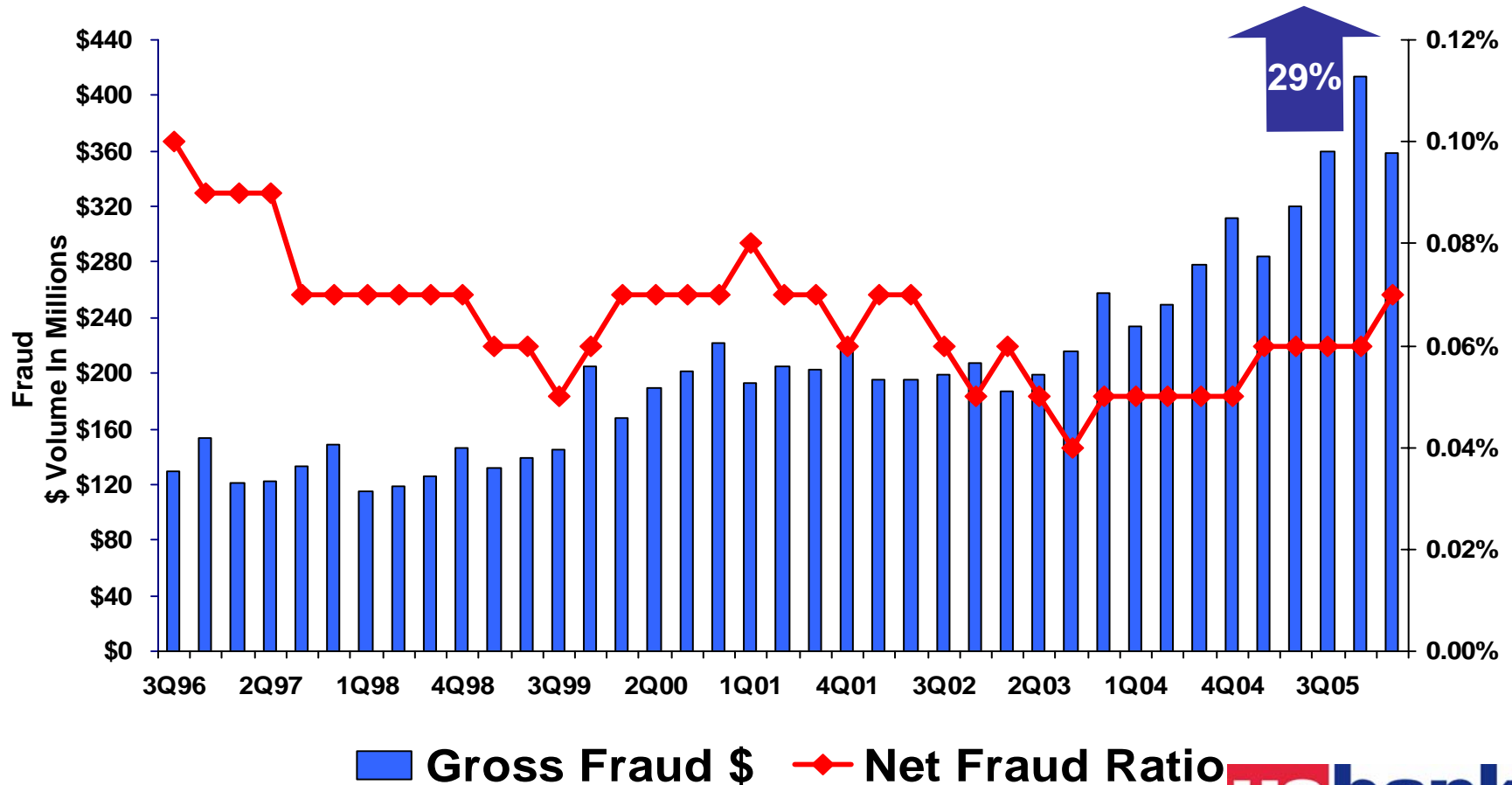
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# Industry Fraud Overview



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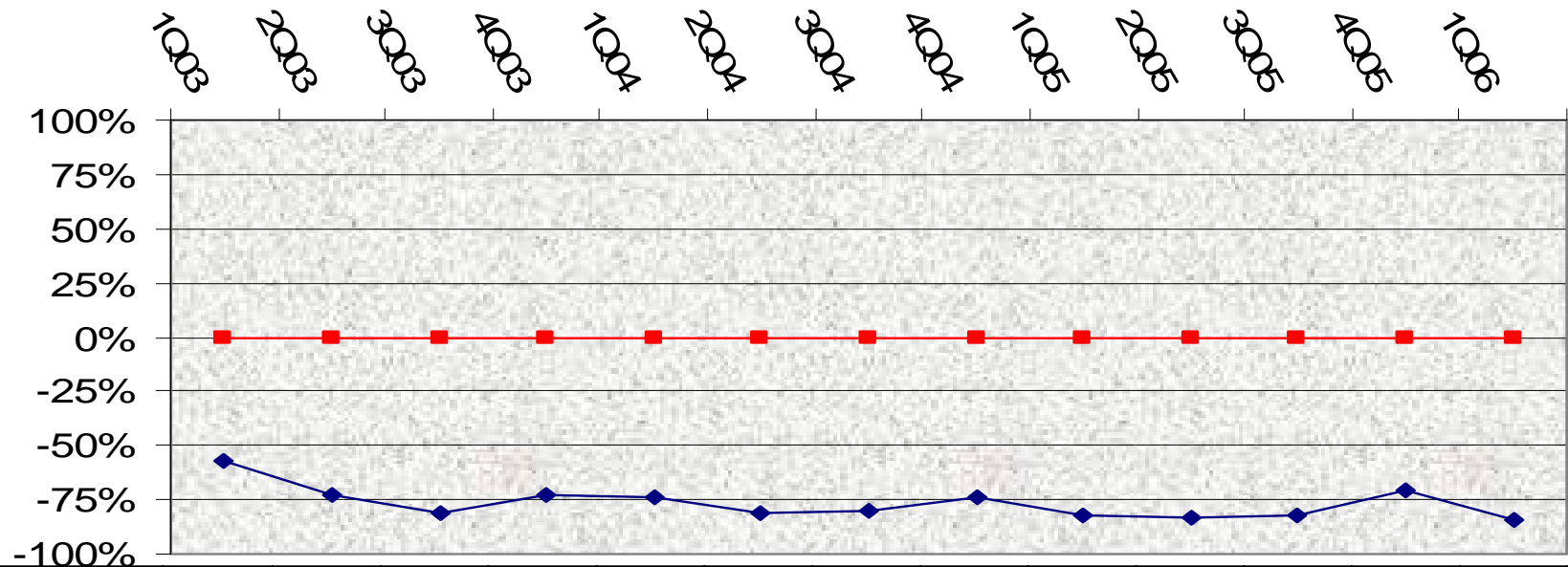
# Industry Fraud Trend





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# Industry vs. U.S. Bank Fraud Losses



CPS	-57%	-72%	-81%	-73%	-74%	-81%	-80%	-74%	-82%	-83%	-82%	-71%	-84%
Industry Baseline	0	0	0	0	0	0	0	0	0	0	0	0	0





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# Government Card Fraud by Type

**Lost / Stolen** - Convenience fraud, can involve family, friends or business associates.

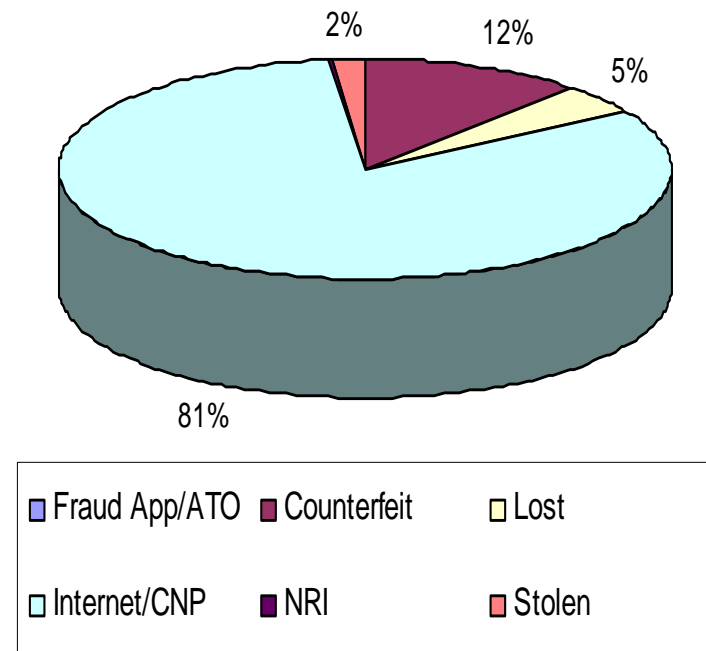
**NRI / Mail Theft** - Minimal risk if issuer uses a card activation program. Higher risk areas still require special handling.

**Fraud App/ATO** - Identity Theft is not generally a problem for Government card portfolios since issuing process is closed-loop.

**Counterfeit** - Typically perpetrated by organized criminal groups.

**Internet / CNP** - Unauthorized use of account information, card number only.

2006 Government Fraud



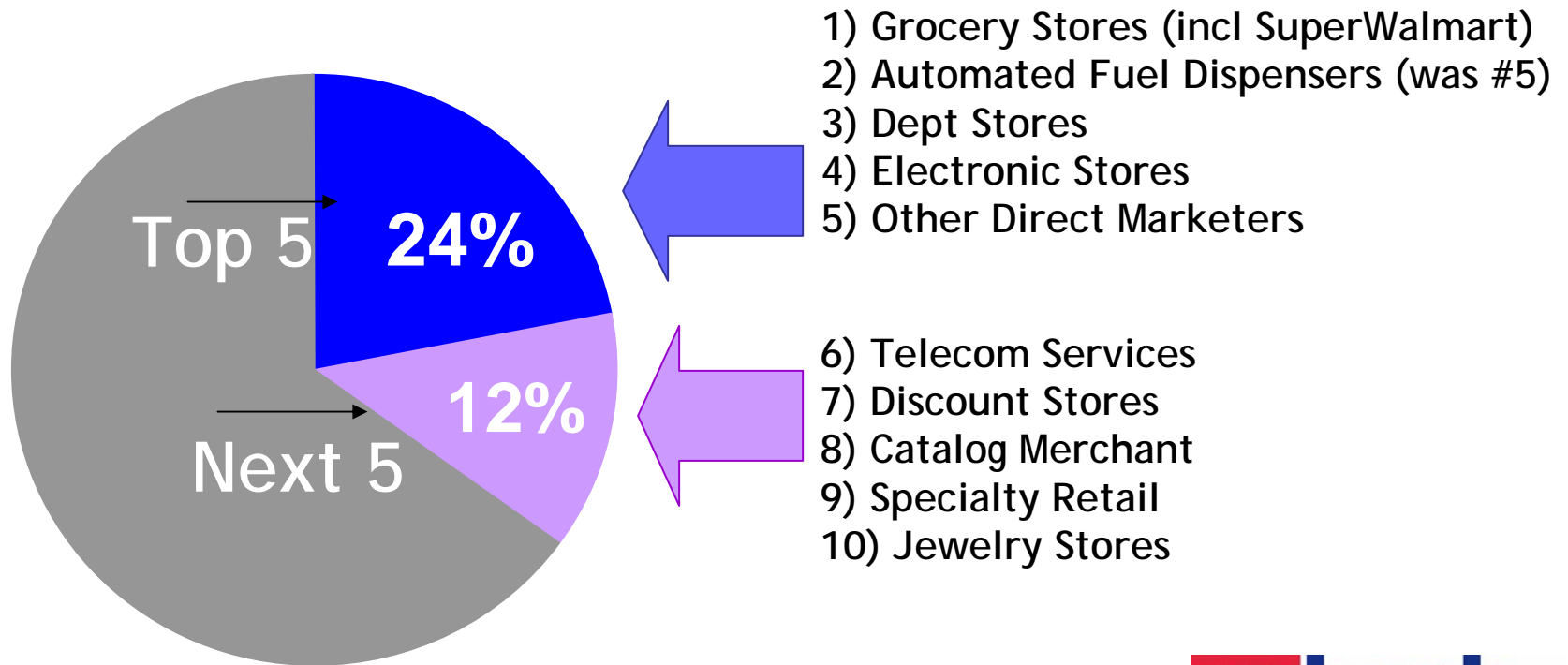




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# Top Fraud Merchant Types

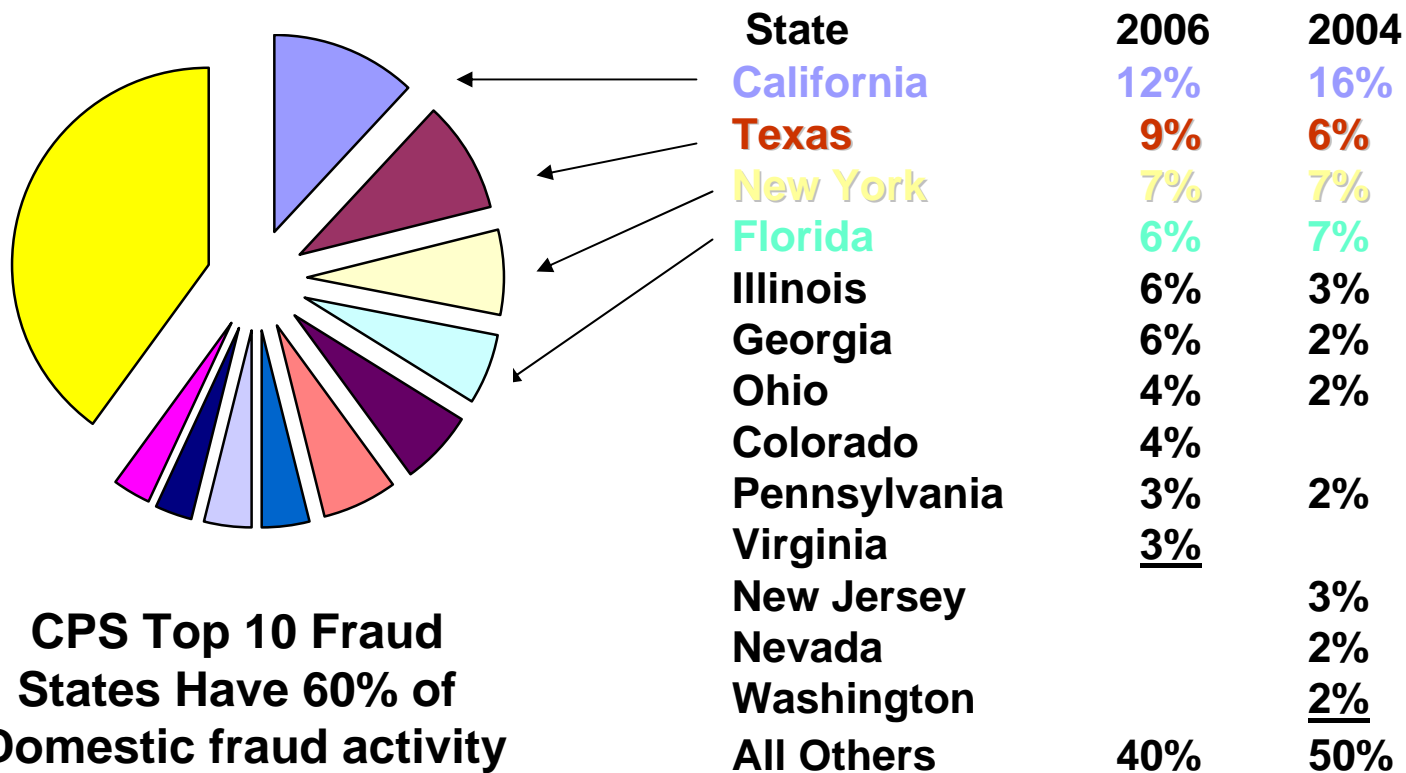
## Industry Losses 1Q05 – 1Q06





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## U.S. Bank CPS Fraud By State YTD





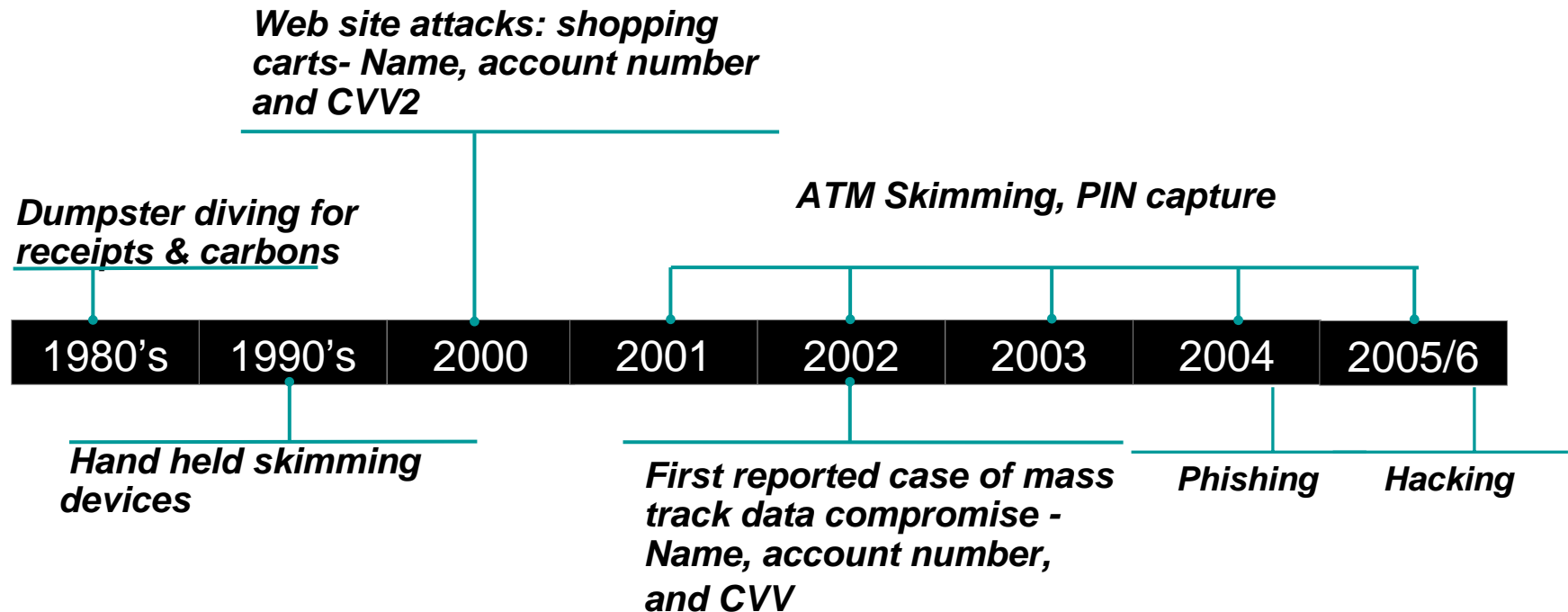
# High Fraud Countries

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# Timeline of Data Breach Tactics



Source: Visa U.S.A Fraud Control



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# Current Fraud Trends





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## Organized Crime drives each of these trends:

- **Skimming** - A copy is made of the magnetic stripe on a card using a track reading and capturing device.
- **Phishing** - A false email solicitation representing a legitimate business requesting personal consumer data or account information.
- **Cybercrime** - A variety of methods of illegally procuring and using card information facilitated by the Internet
- **Identity Theft** - Personal information not belonging to the crook is used to receive financial services.





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# Skimming...

**A copy is made of the magnetic stripe on a card using a track reading and capturing device.**





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# How do cards get skimmed?

There are no residual effects of a credit card skimmer

- Cardholders are often unaware of being skimmed

**Skimmers can be hand held (often used by waiters or parking lot attendants)**

Hand-held Skimmer







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# How do cards get skimmed?

Skimmers may also be parasitic (installed at a POS or ATM)

Parasitic Skimmer





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# Phishing...

**A false email solicitation representing a legitimate business requesting personal consumer data or account information.**



Address

http://www.msnbc.msn.com/id/4915850/

Go

Links

USBMAIL

US Bank Response Center

Shared Services

Phone Lookup

Forms

M

S

NBC

HOME

Tech / Science

Science

Space News

Games & Gadgets

Hacks, Scams, Spam

Tech Tools

Return to Mars

The Big Idea

Genetic Genealogy

News

Business

Sports

Entertainment

Tech / Science

Health

TECHNOLOGY & SCIENCE

Hacks, Viruses, Scams & Spam

Plenty of 'phish' in the sea

Billions of scam e-mails sent monthly

REUTERS

Updated: 11:26 a.m. ET May 06, 2004

LONDON - Fraudulent e-mails designed to dupe Internet users out of their credit card details or bank information topped the three billion mark last month, according to one of the largest spam e-mail filtering companies.

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COAST-TO-COAST NETWORK

Sponsored by

Qwest

Spirit of Service

Done

Unknown Zone (Mixed)



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# Phishing Email Example

Dear U.S Bank customer,

We recently reviewed your account, and suspect that your U.S Bank account may have been accessed by an unauthorized third party. Protecting the security of your account and of the U.S Bank network is **our** primary concern.

Therefore, as a preventative measure, we have temporarily limited access to sensitive U.S Bank account features.

Click the link below in order to regain access to your account:

<https://www4.usbank.com/internetBanking/RequestRouter?requestCmdId=DisplayLoginPage>

For more information about how to protect your account, **please visit U.S Bank Security Center.**


We apologize for any inconvenience this may cause, and **appreciate** your assistance in helping us maintain the integrity of the entire U.S Bank system. Thank you for your prompt attention to this matter.

Sincerely,

**The U.S BANK Security Department Team.**

Please do not reply to this mail. Mail sent to this address cannot be answered. For assistance, log in to your U.S Bank account and chose the "Help" link in the header of any page.

# Retail Internet Banking #1 - Real?

Address  http://211.125.174.52/.USBank/RequestRouter/

Go

Links >>

## Internet Banking

### Now U.S. Bank Internet Banking Does Even More for You!

## Welcome to Internet Banking

### Login

▶ **Personal ID**

▶ **Password**

Forgot your password or need help? Get [login assistance](#).

▶ **Select Your Destination**

Login

For your security, please remember to log out of Internet Banking when you finish your session.

### Enroll in Internet Banking

To access your accounts online, [enroll now](#).

#### Need More Info?

- » [What is Internet Banking?](#)
- » [Frequently asked questions](#)
- » [Browser requirements and security standards](#)
- » [Protect your identity](#)

Take a Tour

Enroll Now

U.S. Bank Internet Banking - the best way to bank online - just got better! To make managing your finances more convenient, we've added these valuable new features and tools:

- Create future and repeating funds transfers between your deposit accounts
- Create account alerts
- Sign up for online statements with alerts
- View investment balances

[Learn more.](#)

Internet

## Retail Internet Banking #2 - Real?

Address  https://www4.usbank.com/internetBanking/RequestRouter?requestCmdId=DisplayLoginPage

Go

Links >>



[Customer Service](#) [Contact Us](#) [Locations](#)

## Internet Banking

### Protect Yourself Against Phishing

"Phishing" refers to cyber-criminals who create an imitation of an existing legitimate Web page or use email to trick users into providing sensitive personal information. Replying to phishing emails puts your accounts at risk. U.S. Bank will never ask for sensitive information from you via email (i.e. Social Security Number, Personal ID, Password, PIN or account number).

## Welcome to Internet Banking

### Login

#### ▶ Personal ID

#### ▶ Password

Forgot your password or need help? Get [login assistance](#).

#### ▶ Select Your Destination

Login

### Enroll in Internet Banking

To access your accounts online, [enroll now](#).

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Take a Tour

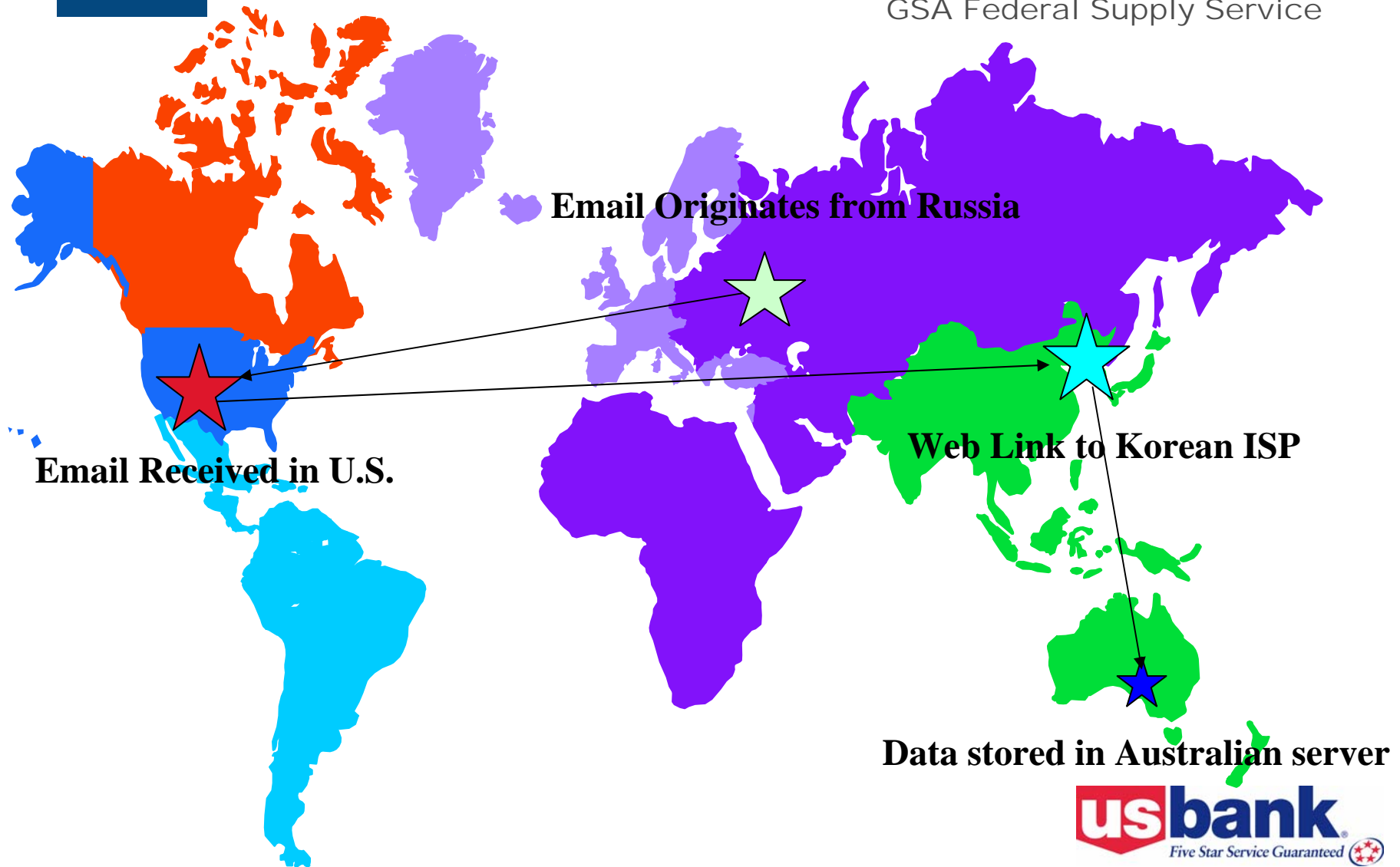


Local intranet



# Tracking a Phishing Scam

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# How can we defend ourselves...

## Common Sense Approach

**Skimming** – Don't put your card in an ATM that looks suspicious. Keep an eye on your card whenever possible.

**Phishing** – Don't click on links or download attachments from emails from unknown senders. Never enter personal or financial account information into a form or link from an email solicitation, regardless of sender.







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# The Cyber Underground





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# Cybercrime

**The Internet has presented a number of challenges for credit card issuers and cardholders**

- Account Number Generation Programs
- Mass Compromises of Hacked Data with or without Magnetic Stripe
- PC spyware travels in emails or attaches itself when infected websites are surfed
- Illegal web sites disseminate “how to” kits for perpetrating fraud





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## Credit Master...

**A program that generates credit and debit card numbers according to the algorithm used by the major card associations.**





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## Account Number Generators (Credit Master Run)

Crooks obtain a valid account number and expiration date.

- Trash bins, clerks keep receipts, etc.
- Use program to generate first account by BIN

Program extrapolates next account numbers issued using a standard algorithm

Even “cardless” accounts can be compromised.





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# Sample CreditMaster

CreditMaster v4.0 Copyright 1994 MPI Development

-----  
1/18/02 2:41pm

Extrapolated following 999 cards from 4999 1103 0035 0035:

1:	4999	1103	0035	0001
2:	4999	1103	0035	0019
3:	4999	1103	0035	0027
4:	4999	1103	0035	0035
5:	4999	1103	0035	0043
6:	4999	1103	0035	0050
7:	4999	1103	0035	0068
8:	4999	1103	0035	0076
9:	4999	1103	0035	0084
10:	4999	1103	0035	0092
11:	4999	1103	0035	0100
12:	4999	1103	0035	0118
13:	4999	1103	0035	0126
14:	4999	1103	0035	0134
15:	4999	1103	0035	0142
16:	4999	1103	0035	0159
17:	4999	1103	0035	0167
18:	4999	1103	0035	0175
19:	4999	1103	0035	0183
20:	4999	1103	0035	0191
21:	4999	1103	0035	0209
22:	4999	1103	0035	0217
23:	4999	1103	0035	0225
24:	4999	1103	0035	0233

Account Numbers are  
NOT actual Visa  
Account Numbers





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# **Account Number Generators (Credit Master Run)**

Important points to remember:

- This form of fraud is completely independent of any card activity or usage patterns on the part of cardholders
- Programs are only capable of generating numbers
- No liability to the client or cardholder

Credit Master Defenses:

- Strategies to queue any affiliated charges or test authorizations
- Utilize a Real Time POS rule to decline merchants associated with run



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# Hacking...

**Mass compromises of data.**

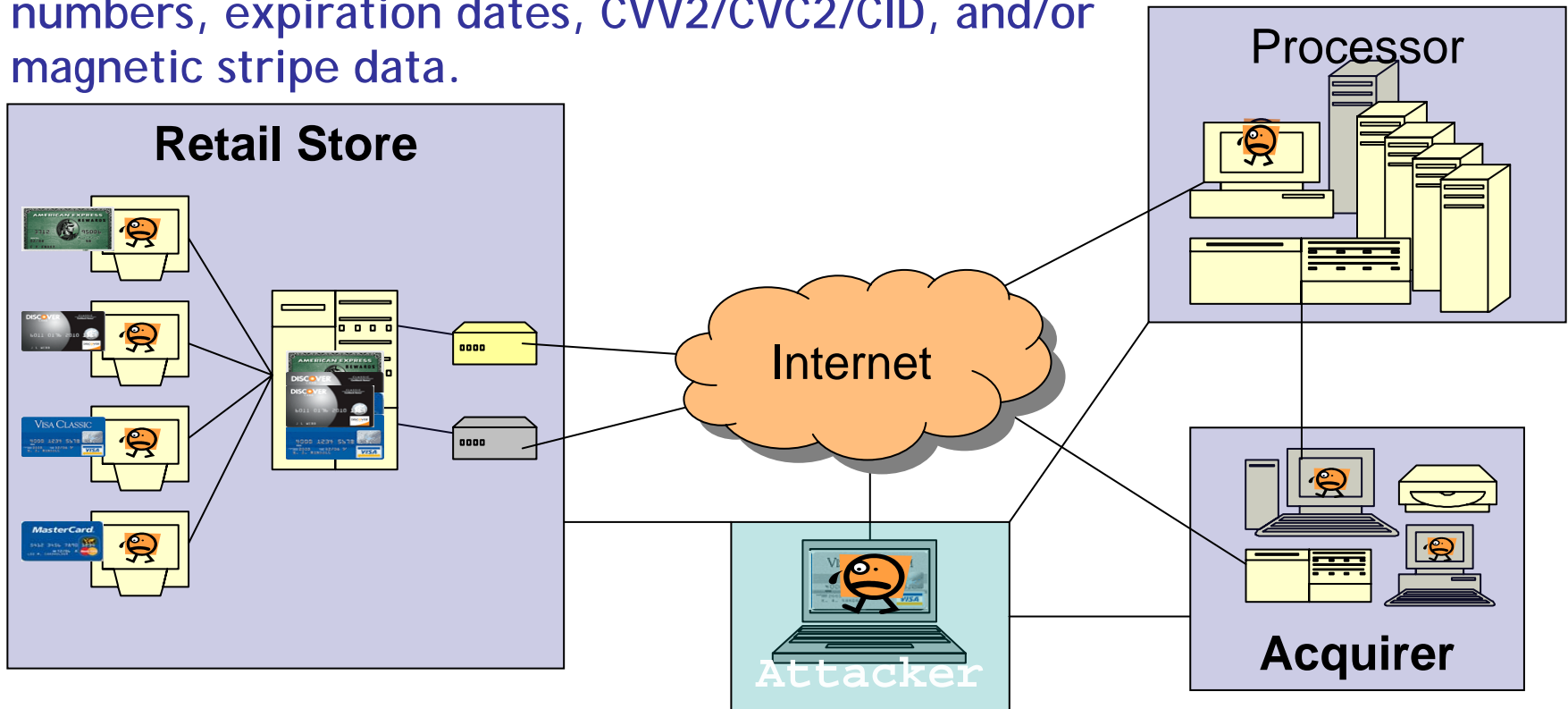




# Hacking

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An attacker takes advantage of a flaw in an Internet connected system that: processes, transmits, or stores cardholder data to gain access to: card numbers, expiration dates, CVV2/CVC2/CID, and/or magnetic stripe data.







## The dumps (tracks) of credit cards

All orders are send out from one hour up to 48 hours from the moment of reception of payment, except for holidays and days off. Our dumps are from over than 10 processing centers worldwide and we check the dumps on workability (by our special secure way) at that moment when we send your order. Thus, you obtain completely the working dumps. We sell the dumps in lots, which are specified in the table below.





Save Big!

You buy from us only  
**the 100% efficient dumps**  
with the first and second tracks at the price of the second track



30.01.2003: Fresh arrivals - a *thousands* of *Gold, Platinum, Business, Corporate* dumps from *Europe, Caribbean, Japan, Asia, Australia*. You can select it by BINs, bank, country, type from here >>



















You have to stay in minimum quantities mentioned in the batches below, we can't sell dumps by units.

Availability		Description	Country	Dumps per batch, pieces	Cost per batch, \$ USD	Cost per unit in batch, \$ USD
Available		MC unsorted (incl. Gold etc)	unsorted	10.000	8900.00	0.89
Available		Visa unsorted (incl. Gold etc.)	unsorted	10.000	8900.00	0.89
Available		Visa Classic Debit	USA	100	595.00	5.95
Available		Visa Classic Credit	USA	100	595.00	5.95

Choose independently



You can download and select the dumps by yourself from the fresh databases

Available		Visa Classic Debit	USA	100	595.00	5.95
Available		Visa Classic Credit	USA	100	595.00	5.95
Available		Visa Classic unsorted	USA	100	595.00	5.95
Available		Visa Gold Debit	USA	40	1198.00	29.95
Available		Visa Gold Debit	USA	100	2495.00	24.95
Available		Visa Gold Credit	USA	40	1198.00	29.95
Available		Visa Gold Credit	USA	100	2495.00	24.95
Available		Visa Gold unsorted	USA	40	1198.00	29.95
Available		Visa Gold unsorted	USA	100	2495.00	24.95
Available		Visa Platinum Debit	USA	40	1198.00	29.95
Available		Visa Platinum Credit	USA	40	1198.00	29.95
Available		Visa Platinum Credit	USA	100	2495.00	24.95
Available		Visa Platinum unsorted	USA	100	2495.00	24.95
Sold out		Visa Corporate	USA	40	1598.00	39.95
Available		Visa Signature (no limits)	USA	10	1490.00	149.00
Available		Visa Signature (no limits)	USA	100	9500.00	95.00
Available		Visa Purchasing	USA	10	1490.00	149.00
Available		Visa Business Debit	USA	40	1198.00	29.95

You can download and select the dumps by yourself from the fresh databases below, if they are available. Generate the order personally, or we can do it for you.



355KB

Fresh dumps from Canadian processing centre.



627KB

Fresh dumps from one of the largest US processing centre.



210KB

New Year shoppers from USA processing centre.



63KB

European and worldwide countries - December 2002.

We have a lot of databases besides which it mentioned.

# Welcome to **Hacker4All** Website

Vnn1260 :: Credit Card :: Email box :: Software :: Author



» Credit Card Page

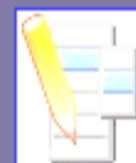


1 2 3 4 5 6 7 8 9 10 (11)

Id	Card Name	Credit Card Info	Billing Address	Phone Number
1	KATHY SANBROOK	532 [REDACTED] 242 2/2004	P.O. BOX 512 SEAL BEACH, CA 90740 USA	56 [REDACTED] 30
2	Julia Hicks	549 [REDACTED] 4220 4/2004	194 Hidden Valley Road Royal Oaks, CA 95076 USA	83 [REDACTED] 78
3	Curtis Harvey	372 [REDACTED] 06 1/2005	Defender of the Constitution 294 Ross Lane	54 [REDACTED] 30
4	DAVID BUECHELE	426 [REDACTED] 359 6/2004	5209 Cherryville Road Northampton, PA 18067 USA	610 [REDACTED] 1238
5	Ronald Hatcher	546 [REDACTED] 082	7711 Geist Estates Court	21 [REDACTED] 30



Anony Mail



Yahoo  
Account  
Checker





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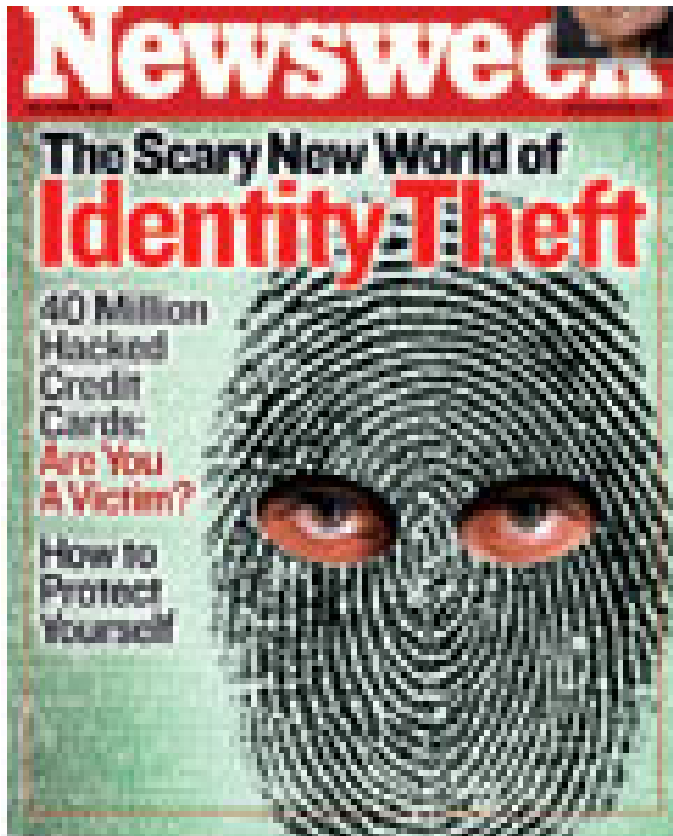
# Identity Theft...





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# Identity Theft – What is it really?



Identity Theft occurs when a criminal has enough of your personal information to impersonate you and pose as you to use your existing financial accounts or to open & use new accounts in your name.

Some Credit Card Fraud is ID Theft  
Fraud Applications, Account Takeover

Most ID Theft does not involve  
Credit Cards





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## What ID thieves want:

Credit Card Numbers	CVV2 Security Numbers (on back of cards)
Credit Reports	Social Security Numbers
Date of Birth	Driver's License Numbers
Mortgage Details	Passwords/PINs
Home Address	Online Banking User IDs

## Where do they get the information?

- Hacking into merchant or merchant data processing data sources
- Data providers are scammed by criminals posing as legitimate businesses who need access to sensitive data (debt collection, etc)
- Data owners lose data or equipment with data on it is stolen
- Phishing – spam email convincing you to give up information
- Skimming – card data is copied when swiped at an ATM or POS
- Spyware – malicious software that captures and sends your personal information from your PC to the criminal
- 'Old fashioned ways' – Dumpster diving, mail theft





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## What ID thieves do

- 28%** Credit Card Fraud
- 19%** Phone or Utilities Fraud (Cell phone accounts)
- 18%** Other Bank Fraud (Electronic Funds transfers)

## What you can do to keep from becoming a victim

- Be vigilant in ensuring that your financial records – bank, investment, & credit card statements – arrive regularly
- Shred unneeded financial documents, including card preapprovals
- Never use SSN, DOB, or consecutive numbers as your password
- Never respond to an email solicitation by clicking on a website link
- Do not open email attachments from people that you do not know
- Install firewalls and up-to-date virus protection software on your PC
- Order a copy of your credit report at least once per year





# AnnualCreditReport.com

[▶ AnnualCreditReport.com](#)[▶ Frequently Asked Questions](#)[▶ Contact Us](#)[▶ About Us](#)[▶ Fraud Alert](#)

## Request your free annual credit report. It's QUICK, EASY and SECURE.

**START HERE** to View and Print your  
Free Credit Report Now

Select Your State

[Request Report](#)

This site is sponsored by:

### What is AnnualCreditReport.com?

This central site allows you to request a free credit file disclosure, commonly called a credit report, once every 12 months from each of the nationwide consumer credit reporting companies: Equifax, Experian and TransUnion.

**AnnualCreditReport.com is the official site to help consumers to obtain their free credit report.**

### We guard your privacy.

This site's security protocols are designed to protect your personally identifiable information from unauthorized access or alteration. Measures include physical and technological security and encryption of certain information.



Fight identity theft by monitoring and reviewing your credit report. You may request your free credit report online, by phone or through the mail. Free credit reports requested online are viewable immediately upon authentication of identity. Free





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## Completing the Credit Bureau Ordering Process

Each bureau you request requires a series of validations

- You may need some financial records with account numbers available in order to complete the validation process
- The entire process takes 5 -10 minutes
- Credit reports will be instantly available for you to view online or print
- Reports can also be ordered by phone at **1- 877- 322- 8228**

## How can I get my credit score?

You can purchase a credit score when you request your free annual credit report through **annualcreditreport.com**. The credit report is free, the score is not.

You can also purchase a credit score or other credit monitoring services by contacting one of the nationwide consumer credit reporting companies.

Equifax - **www.equifax.com**

Experian - **www.experian.com**

TransUnion - **www.transunion.com**





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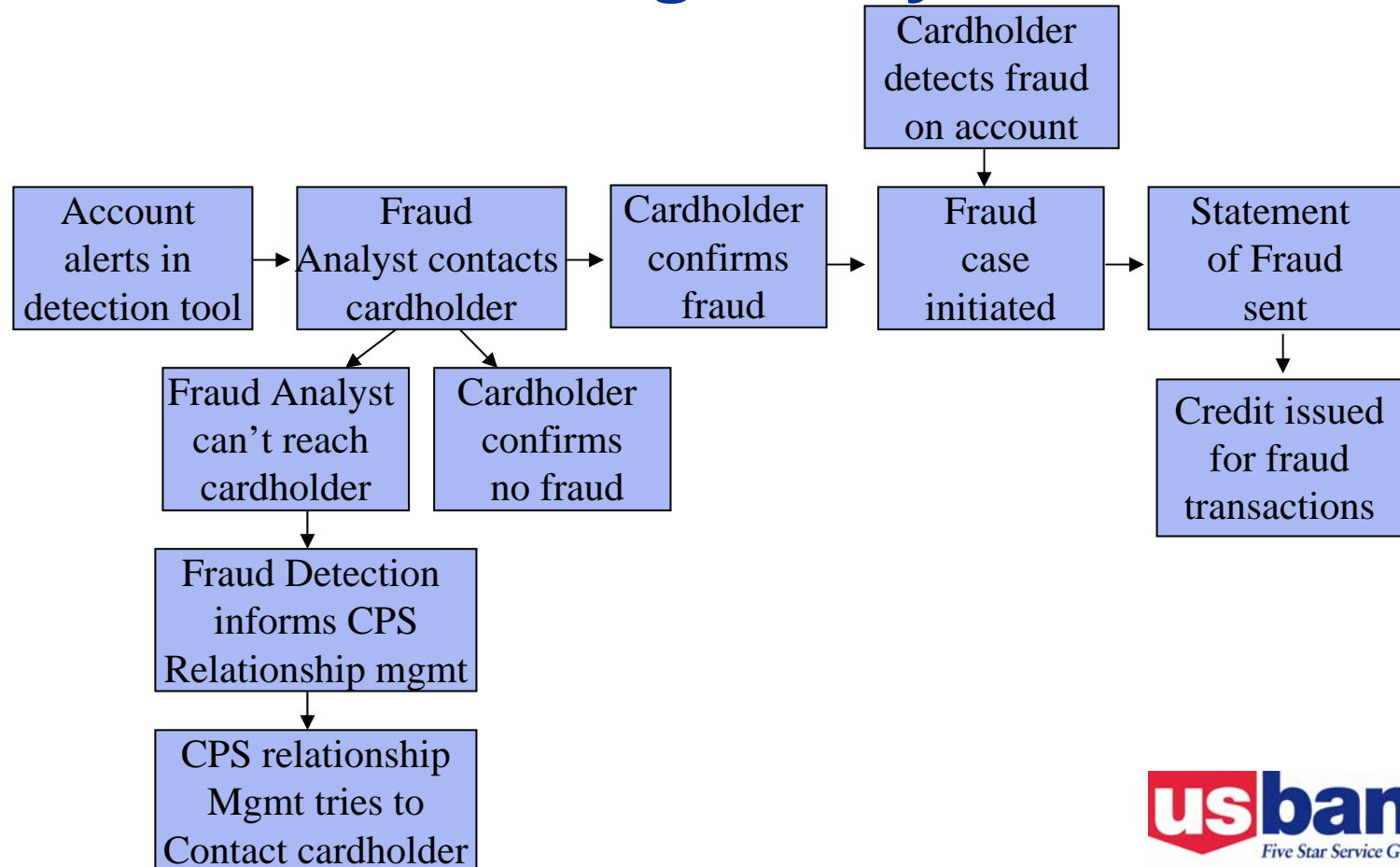
## Best Practices and Resources





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# Fraud Detection & Case Processing Lifecycle





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## Preventative Measures

- Ensure that your **account records are current** including home, business phone numbers as well as alternate contacts or email addresses
- Promptly **review your account statement** and reports immediately upon receipt
  - Use U.S. Bank on-line tools to help monitor account activity
- **Do not disclose account information**, PIN or other personal information to anyone unless you initiated the contact
- **Report all occurrences of unsolicited email or phone calls** where persons are inquiring about your account or personal information
- Be mindful of how you **store and destroy** card data
  - Card associations have stringent regulations around the storage of card account or transaction data
- As Program Managers act as a conduit for **keeping cardholder account records current** via regular file updates to U.S. Bank





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## Resources

- **Contact your U.S. Bank Relationship Manager with any concerns about fraud or suspicious activity**
- **Check out the U.S. Bank website**
  - We update our site continually with new information regarding fraud and data security scams
  - [www.USBank.com](http://www.USBank.com)
- **Visa Liability Waiver Program**
  - Contact your U.S. Bank Relationship Manager
- **Visa U.S.A**
  - [www.visa.com](http://www.visa.com)





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**Thank you!**

*Jeff Leining*

*Fraud Management*

*U.S. Bank*

